

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Central Illinois Light Company)
d/b/a AmerenCILCO)

Proposal to implement a Competitive) **Docket No. 05-0160**
Procurement Process by Establishing)
Rider BGS, Rider BG-L, Rider RTP,)
RTP-L, Rider D, and Rider MV)

Central Illinois Public Service Company)
d/b/a AmerenCIPS)

Proposal to implement a Competitive) **Docket No. 05-0161**
Procurement Process by Establishing)
Rider BGS, Rider BG-L, Rider RTP,)
RTP-L, Rider D, and Rider MV)

Illinois Power Company d/b/a Ameren IP)

Proposal to implement a Competitive) **Docket No. 05-0162**
Procurement Process by Establishing)
Rider BGS, Rider BG-L, Rider RTP,)
RTP-L, Rider D, and Rider MV)

**REPLY BRIEF OF THE
MIDWEST INDEPENDENT POWER SUPPLIERS**

The Midwest Independent Power Suppliers¹ (“MWIPS”) hereby submits its Reply Brief and Statement in Support of the Proposed Auction Procurement Process.

I. Executive Summary

In this Reply Brief, MWIPS replies to the contention of the Attorney General (the “AG”) that Section 16-103(c) of the Illinois Public Utilities Act (“PUA”) authorizes the

¹ MWIPS positions as set out in this Reply Brief are not necessarily the position of each individual member of MWIPS.

Commission to use market-based prices to set the rates only for those consumers whose service has been declared competitive under Section 16-113 of the PUA. AG Initial Brief at 8-9. MWIPS strongly supports the proposed auction process which is not prohibited under Section 16-113, and which will allow Ameren to get the “best deal” when it buys electricity to serve its retail customers.

II. Need for Commission Action

III. Legal Issues

A. Background

B. ICC Authority Under Article IX and Article XVI to Approve the Filed Tariffs

In its Initial Brief, the AG contends Section 16-103 (c) of the PUA which requires the Commission to use “market based prices” to set rates for service that has been declared competitive pursuant to Section 16-113 of the PUA and prohibits the use of market based prices for other, “captive” Ameren customers. AG Initial Brief at 8-9, 69. The language in question contains no such prohibition and the AG fails to identify such a prohibition elsewhere in the PUA. The AG notes that more than Ameren’s 1.2 million retail customers have no competitive option other than to continue to take electric service from Ameren. AG Brief at 69. These customers who have no access to competition in the retail market are precisely the consumers who can most benefit from the proposed auction process. Captive utility customers cannot shop in the retail market for the lowest cost power. Such customers can, however, enjoy the benefits of competition if Ameren “shops” on their behalf by means of the proposed auction process.

Conclusion

MWIPS urges the Commission to continue to reject arguments that the proposed auction process is a prohibited means of obtaining the power supply that Ameren must purchase to serve its retail customers. MWIPS supports the proposed auction as the best method for Ameren to obtain this needed power supply. The proposed auction process, which is transparent, fair and independently administered, will encourage robust competition by competitive power suppliers which, in turn, will ensure that Ameren gets the “best deal” when it shops for electricity to supply its customers.

WHEREFORE, the Midwest Independent Power Suppliers respectfully requests that the Commission enter an order consistent with the foregoing recommendations.

Respectfully submitted,

Midwest Independent Power Suppliers

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CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the Reply Brief of Midwest Independent Power Suppliers was served electronically upon the Service List this 2nd day of November, 2005.

NOTICE OF FILING

On this day 2nd day of November, 2005, we have filed with the Chief Clerk of the Illinois Commerce Commission, 527 East Capitol Avenue, Springfield, Illinois, the Reply Brief of Midwest Independent Power Suppliers.

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